



***United States Attorney
Southern District of New York***

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**FORMER AD AGENCY PURCHASING AGENT
SENTENCED TO FEDERAL PRISON FOR KICKBACK SCHEME**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that LAWRENCE SCAGLIONE, a former purchasing agent for Brouillard Communications, Inc. ("Brouillard"), an advertising agency in Manhattan, was sentenced yesterday in Manhattan federal court to 41 months in prison for his role in a scheme to accept more than \$395,000 in kickbacks from salesmen for Brouillard's outside vendors.

According to the charges and other court documents, SCAGLIONE was a purchasing agent for Brouillard from 1981 through 2001, and was responsible for determining which suppliers of commercial printing and related services would be awarded contracts by Brouillard. SCAGLIONE and three salesmen representing various printing vendors agreed that the salesmen would pay kickbacks to SCAGLIONE and, in return, SCAGLIONE agreed to cause Brouillard to award contracts for commercial printing

and related services to the printing vendors represented by these salesmen.

According to court documents, SCAGLIONE maintained a list of "preferred vendors," which included only those vendors whose salesmen paid kickbacks to SCAGLIONE. SCAGLIONE only awarded contracts to vendors listed on his "preferred vendors" list, and he instructed his subordinates in Brouillard's advertising services department to do the same, according to the stipulation.

On October 9, 2003, SCAGLIONE pled guilty before United States District Judge WILLIAM H. PAULEY III to conspiracy, commercial bribery, mail fraud, witness tampering and tax evasion. The witness tampering charges relate to SCAGLIONE's attempt to persuade two of the salesmen who paid him kickbacks to lie to U.S. Government investigators, including FBI Agents and IRS Agents, if those salesmen were questioned by the authorities about paying kickbacks to SCAGLIONE. The tax evasion charges relate to SCAGLIONE's failure to report and pay federal taxes on the almost \$400,000 in illegal kickbacks he received.

During part of the period of time that he was committing his crimes, SCAGLIONE was released on bail pending sentencing for a federal offense in the Eastern District of New York. As Judge PAULEY noted in pronouncing sentence, SCAGLIONE's prosecution and conviction in the Eastern District of New York resulted from SCAGLIONE's receipt of kickbacks from another

printing salesman. SCAGLIONE was sentenced to probation in the Eastern District of New York based on a conviction for conspiracy to defraud the United States. During his October plea, SCAGLIONE admitted that he continued to commit the crimes charged in this case while on probation in the Eastern District of New York.

Judge PAULEY also ordered SCAGLIONE to pay more than \$300,000 in restitution to Brouillard's clients who paid for these outside vendors' services. In addition, prior to sentencing, SCAGLIONE paid over \$120,000 in back taxes relating to his unreported kickback income.

SCAGLIONE, 69, lives in Bethpage, New York.

Mr. COMEY thanked the Federal Bureau of Investigation and the Internal Revenue Service, which jointly conducted the investigation of this case.

Assistant United States Attorney JUSTIN S. WEDDLE is in charge of the prosecution.

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